



## **Changing the Way We Think About Entrepreneurship**

**By: Ann Sullivan**

As of late, a new tide has turned in the world of small business. Through technology, entrepreneurs now have access to world markets; hobbyists now turn their crafts into revenue through websites such as Etsy and eBay—they no longer have to travel the craft show circuit. Entrepreneurs no longer have to rent work space or a retail space—they can work out of their homes. Garages have become mini distribution centers, businesses have become supplemental income to day jobs—entrepreneurs come in all different sizes and shapes.

Similarly, the way the workforce thinks about finding a job has also changed. As the California Association for Microenterprise Opportunity (CAMEO) has coined, the “DIY” (do it yourself) economy, people are creating their own jobs rather than looking for one in the more traditional sense. Some business owners are perfectly content being a self-employed consultant—they’re not only interested in being the next Google. Though I am certainly not advocating that this is the only way to conduct business, business growth of all types should be encouraged, and that’s where it seems that the government has become increasingly out of touch when it comes to understanding the workforce, and the needs of individuals who own their own businesses or aspire to do so.

Take the Department of Labor (DOL) for example. They spend an enormous amount of money chasing after traditional jobs and training people on how to look for them, even jobs in industries that are no longer competitive. Almost none of these funds go toward training the unemployed on starting businesses, which is a major resource for job creation. I suspect that DOL and other agencies are hesitant to allocate money for entrepreneurial training because they see entrepreneurship as being just “too risky.” Yet, the statistics point to the importance of this sector-- 92% of all American businesses have less than 5 employees and 17 million are part of the independent workforce that creates its own job. Starting a business is creating a job. Owning a business, even if it is a business of one, contributes greatly to the economy, but the government focuses its resources on placing people in “jobs” rather than encouraging them to create their own.

Additionally, our complicated tax code is woefully out of date. Our code has morphed into a complex morass of different rules for C Corps, S Corps, LLCs, partnerships and sole proprietors—all with different rules and incentives. It does not take into account the 17 million that run businesses, just smaller ones. Congress is considering throwing the whole tax code out and starting over. Not a bad idea

given that small businesses pay 67% more in compliance costs than their larger counterparts.

The federal government's focus has to change with the workforce. An anticipated 5 million more are expected to join the ranks of those creating their own jobs by the year 2017. Are they business owners?—you bet. With that shift, the government's entrepreneurial assistance needs to be adjusted to meet the demand of smaller businesses—even those with a business of one.